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**ACCELERATED RURAL WATER  
SUPPLY PROGRAMME**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF DRINKING WATER AND SANITATION)**

**PUBLIC ACCOUNTS COMMITTEE  
2011-12**

**THIRTY-FIFTH REPORT**

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**FIFTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

THIRTY -FIFTH REPORT

PUBLIC ACCOUNTS COMMITTEE  
(2011-2012)

(FIFTEENTH LOK SABHA)

ACCELERATED RURAL WATER  
SUPPLY PROGRAMME

MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF DRINKING WATER  
AND SANITATION)

*Presented to Lok Sabha on 11.08.2011  
Laid in Rajya Sabha on 11.08.2011*



LOK SABHA SECRETARIAT  
NEW DELHI

*August, 2011/Sravana, 1933 (Saka)*

**PAC No. 1942**

*Price: Rs. 56.00*

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and Printed by the General Manager, Government of India Press, Minto Road, New Delhi-110 002.

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2011-2012)

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3. Shri Sanjeev Sharma — *Deputy Secretary*

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\*Vacancy occurred *vice* Smt. Jayanthi Natarajan has been appointed as Minister of State *w.e.f.* 12th July, 2011.

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2010-11)

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19. Shri Kalraj Mishra
20. Shri N.K. Singh
21. Shri Tiruchi Siva
22. Prof. Saif-ud-Din Soz

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\*Vacancy occurred *vice* Shri Ashwani Kumar has been appointed as Minister of State *w.e.f.* 19th January, 2011.

COMPOSITION OF SUB-COMMITTEE-I OF THE  
PUBLIC ACCOUNTS COMMITTEE (2010-11)

Shri Bhartruhari Mahtab — *Convenor*

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2. Shri Naveen Jindal
3. Dr. K. Sambasiva rao

*Rajya Sabha*

4. Shri Kalraj Mishra



## INTRODUCTION

I, the Chairman, Public Accounts Committee (2011-12), having been authorised by the Committee, do present this Thirty fifth Report (Fifteenth Lok Sabha) on '**Accelerated Rural Water Supply Programme**' based on C&AG Report No. PA 12 of 2008 (Performance Audit), Union Government (Civil) for the year ended March, 2007 relating to the Ministry of Rural Development (Department of Drinking Water and Sanitation).

2. The Report of Comptroller and Auditor General of India for the year ended March, 2007, Union Government (Civil) was laid on the Table of the House on 19th December, 2008.

3. Taking cognizance of the inordinate delay on the part of various Ministries/ Departments in furnishing the Action Taken Notes on the Non-selected Audit Paragraphs/Chapters/Reports within the stipulated time frame, the Public Accounts Committee (2010-11) took up the subject for detailed examination and report. A Sub-Committee was specially constituted for the purpose. In due consultation with the Audit, it was decided to examine the position in respect of the Ministry of Rural Development (Department of Drinking Water and Sanitation).

4. In the process of the scrutiny of the Audit Paragraphs/Chapters/Reports pending with the Ministry of Rural Development (Department of Drinking Water and Sanitation), the Sub-Committee came across certain pending Paragraphs/Remedial/ Corrective ATNs on very important issues and considered it prudent to examine and report the same alongwith the Non-Compliance issue. Accordingly, the Sub-Committee took up the above-mentioned Audit Report for in-depth examination.

5. The Sub-Committee of the Public Accounts Committee (2010-11) took evidence of the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) on the subject at their sittings held on 16th August and 30th November, 2010. The Committee considered and finalized this Report at their sitting held on 28th June, 2011. The Minutes of the sittings form Appendices to the Report.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

7. The Committee thank their predecessor Committee and their Sub-Committee for taking oral evidence and obtaining information on the subject.

8. The Committee would also like to express their thanks to the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) for tendering evidence before Sub-Committee and furnishing information that the Committee desired in connection with the examination of the subject.

(x)

9. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
2 August, 2011  
11 Sravana, 1933 (*Saka*)

DR. MURLIMANO HAR JOSHI,  
*Chairman,*  
*Public Accounts Committee.*

**PART-I**  
**REPORT**

**I. Introductory**

The Reports of the Comptroller & Auditor General of India, after being laid in Parliament in accordance with Article 151 of the Constitution of India, stand referred to the Public Accounts Committee for their scrutiny. As it becomes practically impossible for the Public Accounts Committee to examine each and every paragraph contained in the Audit Reports, the Committee adopt a selective approach and take up a few relatively more important paragraphs for indepth examination at the beginning of the term every year. As regards the paragraphs which are not formally selected for examination by the Committee, these are dealt with by means of a procedure devised by the Public Accounts Committee whereby the Ministries/Departments are required to furnish the Remedial/ Corrective Action Taken Notes on all the Non-selected Audit paragraphs to the Committee through the Ministry of Finance (Department of Expenditure).

2. Taking cognizance of inordinate delay on the part of the Ministries/Departments in furnishing the Remedial/Corrective Action Taken Notes, the Committee in their 105th Report (Tenth Lok Sabha) had recommended that with effect from 31st March, 1996 the Action Taken Notes on all the Paragraphs of the Reports of the C&AG, which are not formally taken up by the PAC for examination and Reports presented thereupon should be furnished to the Committee within four months of the laying of the Audit Reports.

3. During 2000-01, *vide* their 9th Report, the Committee decided that the Remedial/ Corrective Action Taken Notes furnished by the respective Ministries/Departments should be categorized by the Audit under three broad heads namely 'Accepted', 'Partially Accepted' and 'Not Accepted'. In subsequent developments, the Committee also decided that a brief on those Action Taken Notes which ought to be categorized as 'Not Accepted' should be furnished by the Office of C&AG, clearly indicating the reasons for such categorization as well as the points of difference between Audit and the Ministry/Department concerned. The remedial Action Taken Notes and briefs on 'Non-accepted' paras are then circulated to the members of the PAC for their perusal. If situation warrants, any of these categorized paras/Reports/Subjects can be taken up for in-depth examination and Report. From the year 2009-10 onwards, the Public Accounts Committee have been examining vigorously the subject 'Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on Non-selected Audit Paragraphs' the Reports on which are also presented to the Parliament. These Reports too have to undergo the same stages of 'Action Taken Reports' and 'Action Taken Statements'. This is how the remedial Action Taken Notes reach the stage of finality.

4. Even after devising an elaborate system, the Committee note with concern that various Ministries/Departments have been unable to furnish the Remedial/Corrective

Action Taken Notes to the Committee through the Ministry of Finance (Department of Expenditure which have special monitoring cell) within the prescribed time line of four months. As per the information furnished by Department of Expenditure on 25th June, 2010 Remedial/Corrective Action Taken Notes on a total number of 4191 Chapters/Paragraphs were pending with various Ministries/Departments. Out of these a total of 4 paras are pending with the Ministry of Rural Development where Action Taken Notes have not been furnished.

5. Against this backdrop, the Committee took up the subject of "Non-compliance by the Ministries/Departments in timely submission of replies to the Audit Paragraphs of the C&AG" on Report No. PA 12 of 2008 (Entire Report) relating to 'Accelerated Rural Water Supply Programme' for detailed examination during the year 2010-11. A Sub-Committee was constituted to go deep into the matter, prepare separate Reports on each defaulting Ministry/Department concerned with the subject and place the same before the Main Committee for their consideration. In the process, the Sub-Committee obtained Background Notes/Preliminary Materials and Written Replies/Post evidence replies from the Ministries/Departments concerned. The Sub-Committee also took evidence of the representatives of the Ministry of Rural Development, Department of Drinking Water and Sanitation on the subject on 16.8.2010 and 30.11.2010.

## **II. Status of Pending Audit Paras in the Ministry of Rural Development, Department of Drinking Water and Sanitation**

6. The Ministry of Finance — Department of Expenditure intimated to the Committee that a total number of 4191 Action Taken Notes are pending with various Ministries/Departments as on 25th June, 2010. As per Audit information on the same total of 3 paras/chapter/reports were pending with different Departments of the Ministry of Rural Development. This Report pertains to their Remedial/Corrective Action Taken Notes on the Audit Paragraphs pending with the Ministry of Rural Development, Department of Drinking Water and Sanitation.

7. After the commencement of the examination of the subject, the Sub-Committee were informed by Audit that as on 31st May, 2010 a total of 3462 paragraphs were pending with all the Ministries on which Remedial/Corrective Action Taken Notes (ATNs) were due. With regard to Report No. PA 12 of 2008, Audit revealed that Action Taken Notes on same was pending with the Ministry. This Audit Report was presented to Parliament on 19th December, 2008.

8. In the above context, the Committee desired to be apprised of the exact number of Audit paragraphs received by the Ministry of Rural Development in the last two years. The Ministry in its written reply stated that Department (DEA) had received a total of 2 Audit Paras.

9. When asked to indicate the exact number of paras pending with the Ministry of Rural Development (Department of Drinking Water and Sanitation), the Ministry informed the Committee that 1 Audit/Report was received by Department of Drinking Water and Sanitation on which the final ATNs had not been furnished to audit.

10. The Committee note that Action Taken Notes on Report No. PA 12 of 2008, were due by 18th April, 2009. However the final replies were given to Audit in two lots on 24.9.2010 and 15.10.2010. Audit sent their final vetted reply on 26.11.2010.

11. The Committee desired to know as to why Action Taken Notes in respect of the Audit observation were not furnished despite lapse of 19 months from the presentation of ARWSP Report to Parliament *i.e.* on 19th December, 2008 and issue of eight reminders on different dates between April, 2009 and March, 2010. In its response, the Ministry in a written note stated as under:—

“With regard to Audit Para PA 12 the Department did not get the information about laying of the report in the Parliament. As came out later from the correspondence, a copy of the report was sent to this Department but it seems that the report was not received in the Department. The C&AG office sent the report to a wrong address and thereafter continuously kept on sending reminders, which were never received in the Department. On receipt of a letter dated 27th October, 2009 from the Comptroller General of Audit, Government of India, a copy of the report was obtained by the Department. It was sent to all the State Governments on 6th November, 2009 for necessary action and since then the Department has made all possible efforts to get the reports from the States to finalise the Action Taken Notes.”

12. The Committee desired to know as to what mechanism the Ministry has devised or propose to devise to ensure that the Action Taken Notes are submitted within the stipulated time of four months. In response, the Ministry in a note stated as under:—

“On receipt of the Audit Paras, the Department immediately examines the same and initiates action for compliance. The Audit Paras are segregated in two parts— one on which action is to be taken at the Department level and another on which action has to be taken by the respective State Governments. On the Audit Paras wherein action lies with the Department itself, immediate action is initiated. On issues requiring orders from the higher authorities, proposals are made and as per laid down procedure, matter is examined at different levels/authorities and once suitable orders are obtained, action is initiated for its actual implementation. It is submitted that the Department is implementing Centrally sponsored programmes whose actual implementation is vested with the States. Thus, in most of the cases, action lies with the State Government and or its implementing agencies. Moreover, water supply having been placed in the XIth Schedule of the Constitution among the subjects that may be devolved to Panchayati Raj Institutions (PRIs), in many States, action/compliance rests with PRIs. By the very nature of the scheme as it is a Centrally sponsored scheme, Department has to coordinate with a large number of States/their implementing agencies for action taken report and compliance.”

13. Further, the Secretary, Department of Drinking Water and Sanitation during the evidence on 30.11.2010 informed the Committee that they had established an Audit Committee in their Ministry chaired by the Secretary himself with members from the Finance and other wings. This would go a long way in ensuring timely submission of Action Taken Notes.

14. On being asked whether any responsibility has been fixed for not furnishing remedial Action Taken Notes on the pending audit paragraphs, the Ministry in its post evidence reply stated as under:—

“There has not been any deliberate attempt on the part of the Department and or its officials to delay furnishing the ATN. The Action Taken Note got delayed as inspite of its best efforts, information from all the States could not be received on time. Once, the Department came to know that Performance Audit Report has been laid on the Table of the House, the Department took all possible steps to get the action taken reports from the States and finalize Action Taken Note for submission.”

15. A close scrutiny of the above reveals that this para was finally settled after about 1 year and 11 months. The final vetted reply from the Audit was received on 26.11.2010. The Committee took their first oral evidence on 16.08.2010 and the settlement of the para reached finality only after the Committee examined the subject.

### **III. Accelerated Rural Water Supply Programme [Report No. 12 of 2008 — Performance Audit]**

16. It has been stated that in order to supplement efforts in the rural water supply sector made by the States, the Government of India, introduced the ‘Accelerated Rural Water Supply Programme’ in the year 1972-73. However, the programme was withdrawn from 1974-75 with the introduction of the Minimum Needs Programme (MNP). Since the MNP was not found to be satisfactory, ARWSP was reintroduced in 1977-78. The entire programme was given a mission approach with the introduction of the National Drinking Water Mission (NDWM) in 1986. The NDWM was renamed as the Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1991. In 1999, a Comprehensive Action Plan (CAP 99) was prepared to identify and cover Not Covered (NC) and Partially Covered (PC) habitations. Further, the Bharat Nirman Programme, which was launched in 2005, has a rural drinking water supply component which envisaged covering of all uncovered habitations identified under CAP 99, and also addressing the problems of slip-back and water quality in four years by 2008-09.

17. The Committee have been given to understand that the Performance Audit of ‘Accelerated Rural Water Supply Programme’ was carried out between June and October, 2007 through test check of records of the Departments of Drinking Water Supply, now Department of Drinking Water and Sanitation (Union Ministry of Rural Development), State Public Health Engineering Departments and other implementing Agencies in 26 States. The period covered under the audit was 2002-03 to 2006-07.

18. The fundamental objectives of the Performance Audit were to assess whether:—

- ◆ The survey of habitations was conducted effectively, and resulted in authentic and reliable data;
- ◆ There was an effective process of planning for ARWSP;
- ◆ Financial control was adequate and effective, and funds were released in timely fashion;

- ◆ Individual projects were implemented within the stipulated time and cost, and were executed economically, efficiently and effectively;
- ◆ The mechanism for monitoring of water quality and surveillance was adequate and effective;
- ◆ Adequate attention was accorded to sustainability of water sources and Operation and Maintenance of existing water supply assets;
- ◆ The objective of participatory, demand-driven rural water supply through Swajaldhara was achieved effectively; and
- ◆ There was an adequate and effective mechanism at different levels for monitoring and evaluation of the scheme.

19. The important findings of the Performance Audit Review are as under:—

- ◆ Deficiencies were noticed in the conduct of the 2003 National Habitation Survey at the States which adversely affected quality and reliability of the survey data, and thus its utility for planning purposes;
- ◆ Absence of Annual Action Plans in many States were noticed which adversely affected the coverage of habitations, especially in prioritization for incomplete work and Not Covered (NC), Partially Covered (PC) habitation;
- ◆ Instances of deficient financial control, besides instances of inadmissible expenditure and diversion of ARWSP funds;
- ◆ Slip back of fully covered habitations and re-emergence of problem habitations continued to be a major problem, which raised the issue of indefinite continuity of the programme;
- ◆ Cases of inadequate infrastructure for testing and monitoring water quality and periodic testing requirements were noticed. Distribution and utilization of field testing kits at the Gram Panchayat (GP)/Village Water and Sanitation Committee (VWSC) level was also found to be poor;
- ◆ There were many cases where States did not take adequate measures for ensuring sustainability of water resources especially ground water. Consequently, the slip back of habitation may continue to remain a major area of concern; and
- ◆ There were numerous deficiencies in execution and implementation of works.

These issues along with other related matters pertaining to the implementation of the programme are discussed at length in the succeeding paragraphs.

#### **IV. National Habitation Survey-2003**

20. The Committee have learnt that in 2003, Department of Drinking Water and Sanitation (DDWS) decided to conduct a fresh survey to ascertain the exact position of drinking water supply in rural habitations; the result of the survey could form the basis for developing future strategies for the programme. DDWS issued detailed guidelines in February, 2003 for conducting the National Habitation Survey, 2003.

21. However, several inconsistencies and discrepancies in the conduct of survey were found in many States. In Manipur, the Survey was conducted through an NGO and a report submitted to the Government of India (GoI) in December 2006; however, due to inconsistencies in the survey report, the State Government was considering conduct of another survey. In Haryana, the survey was completed in 2005, but the survey results could not be finalized due to discrepancies between the figures with the State Government and GoI. In Chhattisgarh (partly), Jharkhand and Orissa authenticity of survey could not be verified due to lack of documentation. Detailed maps were not prepared in 130 out of 154 test-checked districts in 22 States *viz.* Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal. Training for the conduct of the survey was not done in 12 States *viz.*, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Kerala, Manipur, Orissa and Rajasthan.

22. The Committee wanted to have details of the outcome of Habitation Survey. In this connection the Secretary, Department of Drinking Water and Sanitation during evidence simply stated as under:—

“Regarding the survey that was conducted in 2002-03, some of the States have conducted in a thorough manner, others have not done it. That is a matter of history now because the whole system has changed now. We already have a new census going on which will further determine which are the villages which are affected and which are not affected. Most of the explanations given by the States for delay have been explained and it has been submitted.”

23. Throwing light on the non-completion of Survey by some States, Department of Drinking Water and Sanitation in written note had also submitted that due to organizational problem at the field level, some States did not complete the survey in the scheduled time. Moreover, the maps for the survey could not be prepared because there was no specific budget for the survey and it was carried out for the first time.

#### **V. Planning**

24. As per the ARWSP guidelines, the States should prepare an Annual Action Plan (AAP) on the basis of a shelf of schemes, the likely size of the allocation under State Sector Minimum Need Programme (MNP), ARWSP, as well as likely carry over funds, if any, and submit them to DDWS by the beginning of October of the previous



year for use at the Annual Plan discussions. This AAP should be reviewed and finalized by April, after the final outlay is decided.

25. Audit scrutiny revealed that out of 26 States, two States (Jammu & Kashmir and Jharkhand) had not prepared the AAPs at all during the period 2002-03 to 2006-07, while seven States (Andhra Pradesh, Assam, Gujarat, Karnataka, Madhya Pradesh, Punjab and Uttar Pradesh) had not submitted the AAPs, though prepared, to the Department of Drinking Water and Sanitation.

26. It was further revealed that in 15 States (Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Kerala, Manipur, Meghalaya, Nagaland, Orissa, Rajasthan, Sikkim, Uttar Pradesh, Uttarakhand and West Bengal), the AAPs did not have habitation-wise details. In 9 States (Himachal Pradesh, Karnataka, Maharashtra, Manipur, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal), the AAPs did not indicate the shelf of schemes and likely size of allocations. In 9 States (Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal), the AAPs did not indicate the population to be benefited. In 8 States (Arunachal Pradesh, Maharashtra, Punjab, Rajasthan, Sikkim, Uttar Pradesh, Uttarakhand and West Bengal), the AAPs did not indicate priority for completion of incomplete works over taking up new works. In 11 States (Assam, Himachal Pradesh, Karnataka, Maharashtra, Manipur, Punjab, Rajasthan, Sikkim, Uttar Pradesh, Uttarakhand and West Bengal), the AAPs did not indicate the activities to be taken up under the submission on water quality and sustainability.

27. The Committee desired to know about the follow up action to make the States agree for timely preparing AAPs and submitting the same to the Ministry. The Secretary, Department of Drinking Water and Sanitation stated as under:—

“I am very happy to inform the Committee that this year, the preparation of the annual action plan of the States was taken up with a lot of seriousness. In the months of March and April, individual State Action Plans were discussed and they were all approved. It was all jointly approved and agreed upon. In case of UTs also, they had a meeting with all the Union Territories and they are trying to bring them into the fold.”

28. When asked about the preparation of Annual Action Plans on a habitation-wise basis and availability of the details of such AAPs with States, the Department of Drinking Water and Sanitation in a written reply has stated as under:—

“States have been asked to prepare detailed district-wise Annual Action Plans for which formats too have been provided. The details of villages/habitations to be covered during the year are marked by the States in the online Integrated Management Information System of the Department. Habitation-wise details of previous year’s works viz. type of source, water supply systems, expenditure, functional status of the scheme, etc. are also reported in the habitation-wise data in the online Integrated Management Information System (IMIS).”

## VI. Budgetary Allocation and Control

The Committee have been intimated by Audit that the State and Central Governments have made investment to the tune of Rs. 66000 crore since the 1st Five Year Plan in the rural water supply sector.

29. On being asked about the arrangements made for the release of funds by the Central Government to the State Governments and detail of the present budgetary allocation for Rural and Drinking Water, the Secretary, Department of Drinking Water and Sanitation deposed before the Committee during evidence as under:—

“The present budget for Rural Drinking water is Rs. 9,000 crore per year. The money is distributed among the States on pre-determined formula, which has been approved by the Cabinet. The formula takes care of requirements like population, geographic coverage and then that money is distributed to the States. It is very heartening that most of the States also give their own contribution as a supplement to the budget, which is provided by the Centre. Even though, we have a scheme of 50:50 funding in some components of the programme and 100 per cent funding for other components of the programme, yet I have seen that if the total budgetary allocation of the Ministry is about Rs. 9,000 crore, then almost an equal amount is forthcoming from the States. So, the total availability for the drinking water sector as a whole in the country is pretty substantial.”

30. When the Committee desired to know about the mechanism to monitor the utilisation of funds released to the State Governments, the Ministry in its note stated as under:—

“As per provisions of the National Rural Drinking Water Programme (NRDWP), if a State has been able to avail 2nd instalment of NRDWP funds in a financial year, in the following year, it gets the 1st instalment automatically without any proposal. At the time of release of 2nd instalment of funds, States have to send the proposal in the prescribed format which *inter alia* includes various details *viz.* release of State’s share, expenditure statement both of Central and State shares, audit report of the year before the preceding year, unspent balance at the end of the last year, component-wise expenditure, etc. In case, audit has pointed out any irregularity in the utilisation of funds, the equivalent amount is deducted from the proposed release of 2nd instalment and/or the concerned State is requested for necessary compliance. Proposals for release of 2nd instalment have to reach the Department by 31st December of the year. Cut of 10% in the total allocated amount is imposed if the proposal is received by January, 20% is cut if received in February and 30% cut is imposed if it is received in March. This provision is an incentive for timely utilisation of funds. Excessive opening balances and slow utilization of funds may also lead to cut in releases.”

31. The Secretary, Department of Drinking Water and Sanitation also stated in this regard during evidence:—

“As far as financial expenditure is concerned, for the last four or five years, the financial expenditure, the releases of the Department have been pretty high; they have to the tune of 95 per cent plus, and the States have also reported a very good expenditure on these issues.”

32. The State-wise detail of the financial progress reported by the States for the year 2009-10 is given in Annexure-I.

33. As per the ARWSP guidelines, the States were to match releases by the Government of India on a 1:1 basis. However, audit scrutiny revealed significant cases of short releases over the period 2002-07 by 10 States *viz.*, Andhra Pradesh, Arunachal Pradesh, Assam, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Nagaland, Orissa, Rajasthan and West Bengal amounting to Rs. 2773.14 crore.

34. When asked about the measures taken to check deficient financial control, the Ministry in their written reply stated that at the time of release of 2nd instalment of NRDWP funds, States are required to provide details of matching share released, audit certificate, etc. However, in spite of the best efforts and insistence of the Department, there were some States which were unable to provide matching State share due to a number of factors. Keeping this in view, in 2009, Government of India revised the funding pattern for North-Eastern States and Jammu & Kashmir which were facing difficulties in providing matching share, from 50:50 to 90:10 between the Centre and the respective States. While considering the release of 2nd instalment of funds under NRDWP one of the essential documents needed is the Audit Certificate pertaining to the year before last year. In case audit points out any inadmissible expenditure or diversion of funds, the same is also deducted from the 2nd instalment due for such States. It may be stated that there is already a clause in the sanction orders for release of NRDWP funds that the States are required to ensure transfer of the Central funds along with matching State share to the implementing agencies within 15 days of its receipt. This requirement is laid down so as to ensure that there is no delay in the transfer of funds to the implementing agencies. Realising the persistence of this problem, now the guidelines have been revised and funds are released into the account of State Water & Sanitation Mission (SWSM) instead of the State Finance Department, to facilitate faster transfer of funds to the district implementing agencies.

35. Audit scrutiny also revealed cases of diversion of ARWSP funds in 12 States namely Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Uttar Pradesh, Uttarakhand and West Bengal amounting to Rs. 404 crore.

36. Giving details on the diversion of fund, the Secretary, Department of Drinking Water and Sanitation stated during evidence:—

“.....about the money that has been diverted, we will try to give the details of Rs. 400 crore. A majority of this is by way of centage charges which the Departments have charged out of Rs. 400 crore. Mostly, two major States are

involved—Uttar Pradesh and Maharashtra. We are getting reports from them and we will come back to you.”

Throwing light on the centage charges the Ministry clarified that centage charge is the fee given by the Government to a construction agency for its establishment cost after it is awarded a project. Some States like Uttar Pradesh had charged centage charges on rural drinking water projects. Under the NRDWP guidelines, no centage charges can be charged for NRDWP funds. The guidelines also state that if any State levies the centage charges on NRDWP fund, double the amount charged will be deducted while releasing further instalments.

37. However, in subsequent written reply, Department of Drinking Water and Sanitation submitted as under:—

- “(i) Expenditure on creating water sources and water supply systems in FC and PC habitations. Due to the unpredictability of the monsoon on which most surface and ground water sources depend, in parts of the country every year drought situations develop. During these times established water sources dry up. To provide drinking water, which is a basic necessity, it becomes essential for Government to make arrangements for its provision in crises situations even in villages which are categorised as FC or PC. This expenditure may not be categorised as inadmissible expenditure or diversion of funds.
- (ii) Time and Cost overruns occur in many cases especially when sanctions are obtained late in the financial year. This necessitates revalidation of funds in the subsequent year. Legal issues regarding land acquisition also results in overruns. This may not be categorised as diversion of funds.
- (iii) The State Government of UP has in principle accepted in the year 2004 to reimburse centage on all GoI funded schemes being implemented by UP Jal Nigam to the extent of 12.5% since 1.4.2004. Maharashtra has said that ETP charges are added on all cumulative net costs of sub-work to work out gross cost of scheme.”

## **VII. Slip-Back and Re-Emergence of Problem Habitations**

38. The National Habitation Survey 2003 revealed a slip back of 3.14 lakh habitations from fully covered to partly covered/not-covered from April, 2000, and highlighted the problem of re-emergence of problem habitations. However, audit revealed that despite the coverage of problem habitations during 2003-07, 1.54 lakh habitations, which were fully covered in April, 2000, had slipped back to partly covered/not covered status as of April, 2007. The stated reasons for the alarming levels of slip back were excessive drawal of ground water, inadequate/non-maintenance of tubewells, and lack of sustainability of water resources. Audit’s comparison of data on status of habitations at the Government of India’s level and corresponding data with State implementing agencies revealed substantial discrepancies in the number of partly covered, not covered and total habitations. Further, many States did not take adequate measures for ensuring sustainability of water resources.

39. Audit found substantial slip backs in 18 States *viz.* Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Uttar Pradesh, Uttarakhand and West Bengal.

40. Audit scrutiny also revealed significant deficiencies in the reliability of data. Two sets of data relating to status of habitations were collected by audit; one at the Central level (from DDWS) and the other collated from data collected by field audit from the respective State implementing agencies. The total figures of habitations as per the State level agencies was higher than the DDWS figures by more than 10,000 habitations.

41. Responding to the Audit observations the Ministry in 2008 stated that slippage was unavoidable, and was a part of the water supply system. Slippage took place due to a number of factors *e.g.* lifespan of water supply scheme, sources running dry, lowering of water table, reduction in capacity due to poor maintenance, increase in population etc. Consequently, the Government had revised its strategy, which was not focused on sustainability in all drinking water schemes so that the phenomenon of slippage was reduced.

42. When asked about the steps taken to address the problem of slip back of fully covered habitations, and re-emergency of problem habitations on a permanent basis, the Ministry in a post evidence reply informed as under:

“In the old ARWSP guidelines, one of the criteria for allocation of funds to States was the number of slipped-back habitations. This led to a perverse incentive and many States started reporting a very large number of slipped-back habitations to get more funds from Government of India. While revamping the programme, this criteria has been done away. Thus *w.e.f.* 2009-10, there is no further incentive for States to report large numbers of slipped-back habitations. On the other hand, to prevent slippage, States are given 20% of NRDWP funds as 100% grant for sustainability measure of water conservation, artificial recharge of drinking water sources etc., to strengthen drinking water sources and systems. In the belief, that local communities/GPs have a greater stake in proper management, operation and maintenance of water supply systems, there is a weightage of 10% in the allocation criteria of the NRDWP funds for States that have transferred water supply systems to PRIs for operation and maintenance. Under NRDWP, 10% funds are given for the Operation and Maintenance (O&M) component, which State can give to PRIs for proper O&M of drinking water supply systems.”

43. During evidence, the Secretary, Department of Drinking Water and Sanitation stated:—

“About the slip-back habitation, at least, I have not been able to follow it up properly in the sense that it is so subjective that we are leaving everything to the States. The States give the report saying that one habitation is covered, one is partially covered, etc. it is at their whim. That is why, in the Bharat Nirman

Programme, after covering the entire slip-back habitations, we still have half a million habitations to be brought back.”

44. In another context, he also stated:

“The third important part, which has now been the most important part of the programme, is quality problem villages—villages which are in quality affected areas, they need to be prioritised. We have almost about 16 lakh habitations in the country out of which about 1.4 lakh habitations have been identified as quality affected.”

### **VIII. Water Quality**

45. The major water quality problems in India are fluorosis, brackishness/salinity, excess arsenic, excess iron and nitrates. There are separate sub-mission components for fluorosis, desalination, removal of excess iron and other items. The Committee have been informed that under ARWSP, up to 15 per cent of funds could be utilised by the State Government for tackling water quality problems like fluorosis, arsenic, brackishness, excess iron and nitrates.

#### **(a) Water Quality Laboratories**

46. According to the ARWSP Guidelines, establishing of water quality laboratories could be one of the components of the programme. Water quality laboratories may be implemented at three levels, consisting of a nodal unit at the top level, intermediary level units like district laboratories, and grassroot level units. State and region-specific IEC activities were to be taken up. Further, 100 per cent funding was to be provided to the States for strengthening water quality monitoring facilities with a view to networking the nodal unit (premier technical institution) with the State headquarters (PHED).

47. The Committee have been informed of significant deficiencies in the development of infrastructure for water quality monitoring and testing. Ten States (Arunachal Pradesh, Assam, Chhattisgarh, Haryana, Himachal Pradesh, Karnataka, Kerala, Meghalaya, Orissa and Uttar Pradesh) had not assigned the task of checking water quality at the State level to premier institutes. Eleven States (Arunachal Pradesh, Assam, Chhattisgarh, Haryana, Jammu & Kashmir, Jharkhand, Maharashtra, Manipur, Meghalaya, Orissa and Sikkim) did not take up region-specific IEC activities involving PRIs, cooperatives, women groups, Self Help Groups etc.

48. Audit also found several deficiencies of varied kinds in the district level laboratory infrastructure in several States, as shown below:—

- \* In Arunachal Pradesh, in six test checked districts, no qualified staff was appointed in the laboratories.
- \* In Assam, neither was any new laboratory for testing water quality established, nor were the facilities in the existing ones strengthened. No qualified staff was appointed in the laboratories and the departmental staffs like JEs, sectional assistants etc., were performing the tests.

- \* In Bihar, two out of nine test-checked districts did not have a laboratory.
- \* In Chhattisgarh, no funds were utilised for strengthening of laboratories. Further, no staff was appointed in the newly constructed Raipur district laboratory, which was being used as a guest house.
- \* In Gujarat, out of 25 districts, eight districts did not have laboratories.
- \* In Haryana, only seven chemists were posted for covering all the 19 laboratories in the State by rotation.
- \* In Himachal Pradesh, technically qualified staff was not available in one out of three test checked district laboratories.
- \* In Jammu & Kashmir, out of a total of 14 districts, only four districts had water testing laboratories, of which one was not functional.
- \* In Jharkhand, district laboratories existed in four out of six districts, of these, facilities in only one laboratory were strengthened. Further, no qualified staff were appointed in three district laboratories.
- \* In Karnataka, one out of seven test-checked districts did not have a laboratory, while two district laboratories were not functioning.
- \* In Madhya Pradesh, in one district laboratory, no regular chemist was appointed.
- \* In Manipur, there were no laboratories in the districts.
- \* In Nagaland, only one out of eleven district laboratories was functional.
- \* In Orissa, out of 30 district level laboratories, only 15 were made operational in 2006-07.
- \* In Punjab, in three test checked districts, no district level laboratories were established, and no water tests were conducted there.
- \* In Uttar Pradesh, none of the 16 test-checked district laboratories were having the recommended staffing pattern, and 14 laboratories were being run by non-qualified staff like work agents and fitters. Further, no district laboratories were strengthened or new laboratories set up.

49. On being asked about the status of staff strength of water quality laboratories set up at both the levels *viz.*, district and sub-divisional, the Ministry in a written reply informed that the exact information regarding staff strength at specific laboratories is available with the States. While the issue of manpower at the State level laboratories is comparatively better, the issue of technical manpower remains a matter of concern especially at the district and sub-district levels. States have been urged to ensure that adequately trained manpower is available at these laboratories.

The State-wise availability of manpower in the district water testing laboratories as on 10.12.2011 is presented in the following table:—

Name of the State/UT	Manpower available in District Laboratory				Total
	Chemist	Bacterio- logists	Assistant	Others	
1. Andhra Pradesh	55	51	102	51	259
2. Bihar	40	1	39	5	85
3. Chhattisgarh	11	1	32	4	48
4. Goa	0	0	0	0	0
5. Gujarat	27	16	18	16	77
6. Haryana	14	0	14	11	39
7. Himachal Pradesh	5	0	3	5	13
8. Jammu And Kashmir	1	0	1	12	14
9. Jharkhand	13	2	10	5	30
10. Karnataka	27	8	28	37	100
11. Kerala	17	9	23	44	93
12. Madhya Pradesh	24	0	86	46	156
13. Maharashtra	73	68	36	55	232
14. Orissa	5	0	14	5	24
15. Punjab	19	0	20	0	39
16. Rajasthan	34	0	85	76	195
17. Tamil Nadu	75	10	33	8	126
18. Uttar Pradesh	63	0	67	8	138
19. Uttarakhand	16	12	16	21	65
20. West Bengal	2	2	0	0	4
21. Arunachal Pradesh	2	2	20	3	27
22. Assam	12	0	20	40	72
23. Manipur	0	0	0	0	0
24. Meghalaya	0	0	4	1	5
25. Mizoram	8	0	8	8	24
26. Nagaland	1	0	2	1	4
27. Sikkim	0	0	0	0	0
28. Tripura	0	0	10	1	11
29. Andaman And Nicobar	0	0	0	0	0
30. Chandigarh	0	0	0	0	0
31. Dadra & Nagar Haveli	0	0	0	0	0
32. Daman & Diu	0	0	0	0	0
33. Delhi	0	0	0	0	0
34. Lakshadweep	9	0	16	25	50
35. Puducherry	7	0	4	13	24
TOTAL	560	182	711	501	1954



50. When enquired about the status of laboratories set up at district and sub-divisional level, the Ministry informed the Committee that States can establish district and sub-district water testing laboratories as per the need. State/Union Territory-wise status of laboratory infrastructure available for water testing at the district and sub-district is presented in the table shown below:—

Sl. No.	Name of the State/ UT	No. of Districts	No. of District Water Testing Laboratories set up	No. of Sub-divisional Laboratories set up	Total number of district and sub-district water testing laboratories set up as on 10.12.2010
1.	Andhra Pradesh	22	51	27	78
2.	Bihar	38	39	0	39
3.	Chhattisgarh	18	19	1	20
4.	Goa	2	0	10	10
5.	Gujarat	26	26	0	26
6.	Haryana	21	17	0	17
7.	Himachal Pradesh	12	18	1	19
8.	Jammu & Kashmir	22	3	0	3
9.	Jharkhand	24	22	0	22
10.	Karnataka	30	33	64	97
11.	Kerala	14	14	15	29
12.	Madhya Pradesh	50	48	21	69
13.	Maharashtra	33	30	380	410
14.	Orissa	30	32	1	33
15.	Punjab	20	20	14	34
16.	Rajasthan	32	32	0	32
17.	Tamil Nadu	31	63	45	108
18.	Uttar Pradesh	70	72	2	74
19.	Uttarakhand	13	17	0	17
20.	West Bengal	19	35	80	115
21.	Arunachal Pradesh	16	15	0	15
22.	Assam	26	26	0	26
23.	Manipur	9	0	0	0
24.	Meghalaya	7	7	0	7
25.	Mizoram	8	8	5	13
26.	Nagaland	11	1	4	5
27.	Sikkim	4	0	0	0
28.	Tripura	4	4	15	19
29.	Andaman and Nicobar	3	0	2	2
30.	Chandigarh	1	0	0	0
31.	Dadra & Nagar Haveli	1	0	0	0
32.	Daman & Diu	2	0	0	0
33.	Delhi	9	0	0	0
34.	Lakshadweep	1	9	0	9
35.	Puducherry	4	2	0	2
	TOTAL	633	663	687	1350

**(b) Water Quality Testing**

51. The ARWSP Guidelines stipulate testing of 10 per cent of all samples tested, including all positive tested samples by the district water quality testing laboratories, at the State level. Further, District laboratories/Public Health Engineering Department (PHED) were to test at least 30 per cent of water samples tested by GPs, and all cases where possibility of contamination was reported by the community. Also, all water sources were required to be tested at least once a year initially.

52. Audit have revealed that in 17 States (Arunachal Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, Meghalaya, Nagaland, Orissa, Punjab, Rajasthan, Sikkim and Uttarakhand), there was no system or practice of testing at the State level of a percentage of samples, including positive samples, tested by the District laboratories.

53. Audit also revealed that in Chhattisgarh no water quality tests were conducted in any of the four test checked districts. In Gujarat, the shortfall in conducting tests during 2003—07 ranged between 13 and 65 per cent. In Haryana, in four test checked laboratories, against the target of testing 94,000 samples during 2002—07, only 13,980 samples were tested. Of the 13,980 samples, water in 1,598 samples was found unfit for human consumption. In Himachal Pradesh, in six test-checked divisions, against the requirement of 941 tests during 2002—07, only 91 tests were conducted. In Kerala, in Thiruvananthapuram, out of 79 RWSSs, the required percentage of quality testing was done only in 12 schemes. In respect of 22 schemes, the shortfall ranged from 25 per cent to 75 per cent. 45 schemes were not tested at all. In Manipur, during 2003—07, the State laboratory tested only 83 samples, against the requirement of 1,260 samples; of these, 56 samples were found to be potable. In Orissa, no periodic tests were conducted. Only 36 per cent of functional rural water supply sources had been tested at least once. In Punjab, no periodic tests were conducted and in West Bengal, out of 174 PWSSs in 3 Districts, test results showed that 77 schemes were affected with bacteriological or chemical (excess arsenic/iron) problems. Water from these 174 schemes was not being tested monthly, as required. Also, water quality testing was not conducted on 579 newly created tube wells sunk during 2005—07.

54. When asked about the steps taken to ensure adequate infrastructure for testing and monitoring water quality at the State, District and Gram Panchayat level, the Ministry in its written reply stated as under:—

“At the State level, the Department dealing with rural drinking water supply has been advised to identify a State Referral Institute for proper water quality monitoring and surveillance whose primary duty is to build capacities of manpower working in district water testing laboratories and to identify upgradation requirements in physical infrastructure.

At the district level, provision has been made under the NRDWP guidelines for establishing district water quality testing laboratory where such facility is not available and also fund for upgradation of district water quality testing laboratories. With the implementation of online IMIS, the Ministry has now started reviewing the availability of trained manpower in the district water testing laboratories.

Provisions have been made to set up new sub-division level water testing laboratories to ensure testing of more water quality samples.

At the GP level, provisions have been made to provide a chemical field test kit and bacteriological strips/vials for initial screening of chemical and bacteriological quality of drinking water sources and send only the positively tested samples to the District/Sub-division water testing laboratory. Provisions have also been made to provide chemical refills/bacteriological strips/vials under the 5% NRDWP-Support funds.

Chief Secretaries have been requested in writing to ensure that the required laboratories are set up and are properly staffed and undertake regular testing at State, district and village levels.”

55. The Committee desired to know as to how the Ministry ensure that the stipulated frequency of tests are carried out. In response, the Ministry in its post evidence reply stated as under:—

“The Ministry has been repeatedly requesting the States to arrange testing of all drinking water sources at least once in a year for chemical contamination and twice a year for bacteriological contamination in rural drinking water sources. For the first time in the Annual Action Plan 2010-11. States have been given targets for testing of samples. This would ensure more focus is given on monitoring of the number of tests being carried out. The Department has made provision in the IMIS for reporting of data relating to water quality tests carried out in the water quality testing laboratories. Department has made enabling arrangements in the NRDWP guidelines for resources to carry out such tests and funding is available as 100% grants from Government of India to States.”

56. When asked about the tests checks done at the district level laboratories and sub-divisional level laboratories as well with a view to monitoring water quality between September 2010 and December 2010. In response the Ministry in its written reply informed that till November 2010, a total of 8.66 lakh water samples were reported to have been tested in the district water laboratories. In the month of December 2010, 8784 more samples have been tested till 9.12.2010.

57. In regard to the financial support by the Ministry for ensuring quality, the Secretary stated during evidence:—

“Regarding quality, the Government of India is providing supporting money for establishment of district laboratories for conduct of the tests of drinking water resources. But what I have realised in the last three or four months is that my total support to the States is five per cent of this money and with this money, I have to meet administrative expenses as well as quality issues. So, I have requested each of the State Governments to tell the minimum money they will require so that quality thing is never lost sight of and administrative matter is also taken care of. Once I get that information, maybe I will move for an amendment and increase this

five per cent. Maybe another four or five per cent I can give only for quality thing. But it is a commitment by the Government of India that we will support all these activities. We will give this money.”

**(c) Procurement and Distribution of Field Test Kits**

58. ARWSP envisaged building capacity of Panchayats to own the Field Test Kits (FTKs) and take up full O&M responsibility for water quality monitoring of all drinking water resources in their respective PRI area. Further, 100 per cent testing of all sources at the village level was to be done by grassroot level workers from Gram Panchayat (GP)/Village Water and Sanitation Committee (VWSC).

59. Audit scrutiny has revealed that in 15 States (Bihar, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Orissa, Rajasthan, Sikkim, Uttarakhand and West Bengal), no procurement of field testing kits for use by GPs, was undertaken as of March 2007.

60. It has further been revealed that in Andhra Pradesh, field test kits were not received in any of the six test-checked districts. In Arunachal Pradesh, out of 338 multiparameter test kits and 5642 bacteriological test kits procured in March 2007, only 192 multiparameter test kits and 42 bacteriological test kits were issued to the districts and no kits were issued to GP level functionaries. In Chhattisgarh, field test kits were procured in only one out of four test-checked districts; even here, only 48 kits were procured against a requirement of 367 kits, and these had not been distributed. In Gujarat, in six test-checked districts, only 332 kits were received, against 582 VWSCs. In Jharkhand, field test kits were received in only one district. Further, in two divisions, Tenughat and Jamshedpur, 8676 kits for bacteriological testing were lying unused for three to eight years. In Uttar Pradesh, out of 9860 kits received as of January 2007, only 5626 kits were dispatched to the BDOs (for distribution to GPs) as of June 2007.

61. The Committee wanted to know as to what steps the Ministry has taken to ensure that Gram Panchayats have been provided with adequate Field Testing Kits and are effectively used. In response, the Secretary, Department of Drinking Water and Sanitation stated that:—

“Regarding FT kits, I had a review meeting with the State Secretaries. While the FT kit has been given, unfortunately, most of it is not passed on to the Gram Panchayats. The five individuals who are supposed to be trained like the teachers etc. are not properly trained. In some cases, the training has not been satisfactory..... I have told the Secretary to identify the individuals in a particular Gram Panchayat who physically has the kits.”

62. However, in their post evidence reply, Department of Drinking Water and Sanitation subsequently clarified as under:—

“Under Water Quality Monitoring and Surveillance Programme, provisions have been made for States to provide one field test kit to each Gram Panchayat and train 5 grassroot workers at the GP level, 5 at block level, 4 at the district level and 2 at the State level for water quality monitoring and surveillance activities. In the Annual Action Plan 2010-11, States have indicated targets for provision of FTKs

and for training of grassroot workers. This will be regularly monitored to ensure that the targets are achieved. As reported by States, so far against the cumulative target to train 12 lakh grassroot level workers at the GP level, 8.55 lakh have been trained. Against the target to provide field test kits to 2.45 lakh GPs, 2.47 lakh chemical FTKs and 424.33 lakh bacteriological kits are reported to be procured/distributed”.

63. The Department further clarified that 2.66 lakh chemical field test kits have already been procured/distributed to the GPs in the country. States have been advised to provide such kits wherever they have not been provided and also to train adequate number of grassroot workers for testing their own drinking water sources. This process may take some time.

**(d) Engagement of Experts**

64. The Committee understand that experts for monitoring and evaluating the quality of drinking water in rural areas, covered under the Scheme have been engaged. The Committee desired to know as to what are the terms of reference for the deployment of such experts. In response, the Secretary, Department of Drinking Water and Sanitation during the evidence state that:

“.....the technical Manpower issue, the orders were issued in April, 2010. But what was missing was that we had not really specified the qualifications for all. We had not really specified the enumeration that can be given to a particular officer. That we have got the approval of the Minister now and we should be in a position to issue in next seven to ten days time. After that, most of the districts will have at least five experts to support them and the States will also have eight to ten experts to support them..... on the pattern of NHRM, I will try to see that most of these technical manpower are in place by the end of this financial year and all of them are recruited properly. The same thing is being done for the blocks also. At the block level also, we will also create a block extension work unit because in the district also there is no one else to look after the drinking water supply programme. So, this we will support.”

65. Subsequently, in this regard, the Ministry in its post evidence reply stated as under:

“In order to provide proper support to the State Departments/Boards dealing with rural water supply, the Department of DW&S has recently issued guidelines for engaging experts as Consultants at the State and District levels. At the Block level, 2-4 Block Resource Co-ordinator(s) depending upon the population of the block will be engaged by the States.

At the State level, in each State/UT, there will be a Water & Sanitation Support Organisation (WSSO) under the State Water & Sanitation Mission (SWSM) for taking up various support activities required for drinking water and sanitation sector. The WSSO will be staffed with Consultants in IEC, HRD, Water Quality Monitoring & Evaluation (M&E), Hydrogeology and Sanitation & Hygiene.

In each DWSM, five Consultants in IEC and Equity, Monitoring, Evaluation-cum-MIS, HRD, Hydrogeology, Sanitation, Hygiene are to be engaged to provide support to the DWSM and the GPs. VWSCs in carrying out their responsibilities in the sector.”

66. Secretary however, during evidence further stated that:

“I just want to inform you that we have been able to sanction the National Resource Centre, the State Resource Centres and the Block Resource Centres. We have issued the guidelines also. All these posts have been sanctioned now. Most of the States have already started action on appointing all these people. At the national level also, we have also advertised; we have received the applications. The recruitment to these places will be completed hopefully by the end of January. On technical strengthening part, the work has been completed.”

67. When asked about the existing mechanism to test the quality of water in the districts, where the experts have not been engaged, the Ministry in a note stated as under:

“With such a large number of drinking water sources in rural areas of the country and with only district level water quality testing laboratories, it is almost impossible to carry out water quality testing for bacteriological and chemical contaminants in all drinking water sources used by people in rural areas on a regular basis. Thus, the Department, came out with an initiative to equip Gram Panchayats (GPs) to develop proper understanding of various aspects of drinking water quality issues and keep surveillance on their drinking water sources. As a part of surveillance process, it was envisaged that GPs should be able to carry out simple indicative tests using Field Test Kits (FTKs) on various contaminants in their drinking water sources and report the same to the Department of the State in-charge of rural water supply. In case of bacteriological contamination, it can be prevented by certain actions by the local community. However, in case of chemical contamination, they have to approach the district or sub-district laboratories set up by the rural water supply Department for carrying out confirmatory tests and take necessary corrective action. Based on the laboratory data, the State Department/in-charge of rural water supply is also to update the status of habitations in the IMIS. In addition, every year, a sanitary survey is also required to be carried out by the State to ascertain the contamination status and required preventive action to render drinking water sources safe especially during monsoon when the possibility of bacteriological contamination is very high.”

### **IX. Sustainability**

68. ARWSP has a separate component to ensure sustainability of water resources. Five per cent of ARWSP funds were to be kept aside for sustainability projects, including ground water recharge and rain water harvesting; different technological options could be explored, depending on the local requirement. Further, the State Governments were

encouraged to adopt and implement the model bill to regulate and control development of ground water, especially in water stressed areas.

69. Audit scrutiny has revealed that the proportion of schemes relying on ground water sources was very high in most States, and ranged between 91 and 100 per cent in eight States (Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Punjab, Uttar Pradesh and West Bengal), between 71 and 90 per cent in six States (Karnataka, Maharashtra, Orissa, Rajasthan, Sikkim and Tamil Nadu), and between 41 and 70 per cent in four States (Andhra Pradesh, Haryana, Kerala and Meghalaya).

70. Audit further revealed that 19 States (Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Manipur, Meghalaya, Orissa, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal) had not passed and implemented the model bill for controlling development of ground water in water-stressed areas and in 14 States *viz.*, Arunachal Pradesh, Assam, Bihar, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Manipur, Orissa, Punjab, Sikkim, Tripura, Uttar Pradesh and Uttarakhand periodical assessments of ground water potential on a scientific basis had not been conducted. 20 States (Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal) had not made ground water recharge compulsory in all ground water based supply schemes. 16 States (Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Jammu & Kashmir, Karnataka, Kerala, Manipur, Meghalaya, Orissa, Punjab, Rajasthan, Tripura, Uttar Pradesh and Uttarakhand) had not fully utilized the amount of five per cent of ARWSP funds for sustainability projects.

71. When asked about the arrangements made for the sustainability components by the States while formulating water quality schemes, the Ministry in its written reply has stated as under:

“While funds released under the components of coverage and water quality can be utilized interchangeably, 20% NRDWP fund is earmarked for sustainability component as 100% grant to be utilized by the States for sustainability measures alone. In the Annual Action Plan 2010-11, States had to indicate the specific sustainability measures and have to indicate the same in the online IMIS of the Department. Moreover, while funds for coverage and quality are given on 50:50 funding pattern, funds for sustainability is given as 100% grant by the Government of India. This is to ensure that States accord higher priority to sustainability of sources and systems so that water supply schemes last their full life span and habitations do not slip back. In addition, training programmes are being conducted for State and district level engineers on planning, designing and implementing sustainability structures in all States in Collaboration with the Central Ground Water Board. The Department has also commissioned the National Remote Sensing Centre (NRSC) to prepare Hydrogeo-morphological (HGM) maps to facilitate local engineers in locating drinking water sources and in appropriate siting of recharge structures for these sources. NRSC is also conducting training programmes in various States to train engineers using the HGM maps.”

72. When asked about the steps taken to prevent depletion of ground water, the Secretary, Department of Drinking Water and Sanitation during evidence stated that:

“Water policy and proper use of water is now being looked after by Planning Commission. The Prime Minister has asked the Planning Commission to prepare a Ground Water Policy. So, we, from our side, from the Department’s side have already started preparing the background material. We are requesting them to do something so that ground water depletion is stopped at least in the areas where there is human habitation.”

73. Asked to throw light on the steps taken to bring a punitive legislation for making polluting of drinking water resources an offence, the Secretary, Department of Drinking Water and Sanitation during evidence stated as under:

“There are three Acts which govern water pollution. First is the Water (Prevention and Control of Pollution) Act, 1974; second is the Water (Prevention and Control of Pollution) Cess Act, 1977; and the third is the Environment Protection Act, 1986. These three Acts govern the water pollution as a whole. Drinking water & other water, those enforcement powers are vested with the Ministry of Environment and Forests. They do it through the Pollution Control Board and other measures. They have also the power to establish authorities for ensuring standards, and under that power, they have also established the Water Quality Assessment Authority. That Water Quality Assessment Authority is chaired by the Ministry of Environment and Forests. In fact, the Department of Drinking Water & Sanitation was not even a member of that. Now, they have started inviting the Joint Secretary from our Department. The other important Ministry in this is the Ministry of Water Resources which control the Central Ground Water Board. They also constitute the Central Ground Water Authority. This Authority was constituted in 1997. These are two major bodies which look into the punitive measures of drinking water quality. The Department of Drinking Water & Sanitation has been working as a promoting/development Department. It is not working as a punitive Department. The punishing powers and the punitive powers, unfortunately, are not with us.”

74. The Committee have come to learn that Andhra Pradesh, a State of India adopted community Ground Water Management Model. The Andhra Pradesh Government gave one lakh rupees to certain communities of each village of drought prone area. Utilising this amount the communities have shown the first large-scale example of self-regulation of ground water, which is very close to sustainable level.

75. On being asked about the steps taken to ensure that the farmers in States have changed their practices with regard to regulation of ground water, the Ministry in its written reply intimated as under:

“Through various meetings and conferences, State officials have been appraised of the successfully implemented Andhra Pradesh Farmers Managed Ground Water Systems (APFMGS). During the meetings, they have been urged to study the possibilities of replicating the same in their States as a part of Integrated Water



Resources Management. The Department has also held meetings with concerned States to launch pilot projects in 10 overexploited blocks on Integrated Drinking Water Security Planning incorporating elements drawn from APFMGS.”

76. On the steps taken by the Ministry for effective coordination with the Ministry of Water Resources, Ministry of Agriculture and the State Governments for ensuring that first priority is retained for drinking water, the Ministry in its written reply stated as under:—

“As per the National Water Policy 2002, drinking water needs of human beings and animals has been given the first charge on any available water. However, it is true that there are multiple demands on water. According to FAO-Forestry report (1990) regarding India, domestic consumption accounts for 5% of total water availability. Out of the remaining, 92% is used for agriculture and 3% for industry needs. Under National Water Mission, Ministry of Water Resources has been made the nodal Ministry for “conservation of water, minimizing wastage and ensuring its more equitable distribution both across and within States through integrated water resources development and management”. The department is coordinating with the Ministry of Water Resources and other agencies like Central Ground Water Board (CGWB), Ministry of Agriculture, NRSC, State Governments and other organizations in the matter of water management. However, currently, there is no formal institutional arrangement for continuous coordination between all agencies involved in the management of ground and surface water.”

## **X. Monitoring, Reporting and Inspections**

### **(a) Monitoring**

77. The ARWSP Guidelines stipulated that Vigilance and Monitoring Committees (VMCs) at the State, District and Village levels were to be set up, and regular meetings of these Committees held. This would be a pre-condition for release of funds. Special Monitoring and Investigation Units (SMIUs) were to be set up at the State Headquarters. These units would be responsible for collecting information from the executing agencies, maintenance of data and timely submission of returns to the GoI. They would also be responsible for monitoring the quality of water and adequacy of service at the field level, and maintain such water quality data. Further, they would be responsible for controlling/regulating the quality of construction works in water supply schemes.

78. Audit scrutiny, however, revealed significant deficiencies in the organizational arrangements for monitoring such as in 13 States (Arunachal Pradesh, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Kerala, Maharashtra, Manipur, Meghalaya, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal), VMCs were not constituted at the State level, while in 6 States (Assam, Bihar, Gujarat, Jharkhand, Karnataka and Punjab) VMCs did not hold regular meetings. 17 States (Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Tamil Nadu, Uttarakhand, Uttar Pradesh and West Bengal) did not nominate officials of the Health Department for surveillance activity. In 9 States (Andhra Pradesh, Assam, Chhattisgarh,

Jammu & Kashmir, Jharkhand, Maharashtra, Meghalaya, Manipur and Uttarakhand), SMIUs were not established. SMIUs in seven States (Himachal Pradesh, Karnataka, Nagaland, Punjab, Rajasthan, Tripura and Uttar Pradesh) did not have qualified technical experts, and instead used engineers from the regular Line Departments, which would not adequately serve the purpose.

79. The Committee desired to know about the effectiveness of the National Resource Centre (NRC) in monitoring the implementation of the schemes. In response, the Department of Drinking Water and Sanitation in its post evidence reply stated as under:—

“The proposed National Resources Centre (NRC) is basically to assist the Department by strengthening the existing manpower especially in software activities viz. information, education & communication (IEC), capacity building of implementing agencies and PRIs, public health engineering, water resources management and hydro-geology, monitoring and evaluation, etc. NRC has been envisaged as a ‘Think Tank’ and ‘Knowledge-cum-Resources Centre’ to continuously study the sector and programmes in a dedicated and sustained manner for providing inputs for policy formulation, programme development and decision making by the Department and for guidance at the State level. NRC has not been envisaged only as a monitoring centre. This NRC will also assist the Department in monitoring the implementation of the water supply schemes. The Department will continue to monitor the NRDWP through online IMIS, which is continuously being improved from time to time based on inputs/suggestions received from various quarters.”

80. When asked as to when Resource Centre/Mission at the State, the District & Block level would be fully operationalised and whether the Ministry propose to monitor these centres and missions, the Department of Drinking Water and Sanitation in a note submitted as under:—

“In all States State Level Mission have been set up. It is expected that by the end of the current financial year, in most of the States, such Missions will also be filled with required staff at State and district level.

The State Water & Sanitation Mission (SWSM) is the apex body headed by the Chief Secretary/Additional Chief Secretary of the State with Secretaries of different Departments as well as members from civil society. SWSMs have been created for planning, guidance, supervision, coordination and monitoring in water supply schemes. These SWSMs will be responsible for monitoring and as such there is no proposal to monitor these monitoring bodies. The District Water & Sanitation Mission (DWSM) is to ensure coordination and convergence at the district level and ensure proper implementation, supervision, monitoring of the programme. The Block Resource Centre (BRC) is basically a facilitating centre to help the local community, Gram Panchayats and Village Water & Sanitation Committee (VWSCs) in bridging the knowledge and information gaps and help them on a continuous basis in shouldering the responsibility of drinking water supply and sanitation in

their villages. It is expected that by 31st March, 2011, most of the BRCs will become fully functional.

It is the SWSMs and DWSMs, which are expected to ensure that status of water supply which *inter alia* includes implementation of water supply schemes, are monitored and are also reported in the online IMIS of the Department. The Department monitors the status through IMIS meetings, review visits, video conferences etc. The reporting system and data inputs format have been standardized. Within the Department, the responsibility of the States and UTs have been divided among the limited number of 4 technical officers available in the Department as 'Area officers' to review to status and report for taking appropriate action. Every month, by the 17th day, they have been asked to put up State-wise and activity-wise reports highlighting the shortcomings for further action."

**(b) Submission of Reports to Government of India**

81. The States were required to submit a large number of annual, quarterly and monthly reports to GoI, covering such aspects as progress in clearance of schemes, district-wise break-up of ARWSP and MNP provisions, status of functional/non-functional schemes, quarterly and monthly progress reports, installation of drinking water schemes in rural schools etc. However, audit scrutiny revealed that many States were not submitting these returns in time.

82. In response to the aforesaid Audit findings, the Ministry stated that submission of these reports have been made online from April 2008. Most of the States also accepted delay/non-submission of reports and agreed to ensure their timely submission.

83. When enquired about the reliability of such reports from the States, the Secretary, Department of Drinking Water and Sanitation during the evidence stated:—

"We start the presumption that most of the reports that come to us are duly sent by the State Governments, signed by a senior officer. It is reliable. If there is any discrepancy in between, then we have now evolved a system in which either we send one of our officers to the field to verify it or we have started taking the use of the National Monitors now. The National Monitors have been appointed by the Ministry of Rural Development as a whole. So far they were basically working for NREGA and PMGSY. For The first time we started using them for the Drinking Water Supply Scheme. the third important information source that we have is that when the Members of Parliament write to us regarding some problems, we get a comment from the State Government and in turn we communicate the State Governments's response to the Members of Parliament. This is a very good system of verifying whether the States are reporting it properly or not."

**(c) Inspection**

84. As per ARWSP Guidelines, while the Government of India would take up monitoring and evaluation studies from time to time, the State Governments may also take up similar studies. However, audit scrutiny revealed that in 18 States

(Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Orissa, Punjab, Rajasthan, Tripura, Uttar Pradesh and Uttarakhand), no evaluation studies were carried out by the State Governments. Further, in 16 States (Assam, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, Manipur, Meghalaya, Orissa, Punjab, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal), officers from the State Government Headquarters did not visit the districts, blocks and villages for inspection, or no such records of inspection were made available.

85. On being asked about the field inspection carried out since the inception of this scheme, the Ministry in its written reply stated that Department officials do not carry out inspection. They visit the States to participate in the meetings of the State Level Scheme Sanctioning Committee (SLSSC), workshops, trainings, etc. The 'inspection' function is the assigned responsibility of the officers of the State Government/Department/agencies responsible for rural water supply.

86. When asked about the number of people used for carrying out the inspection of the projects/schemes in various States, the Secretary during evidence stated:

“We have just about 7-8 people. ....Each of them have been allocated 10-12 States; they go to the field and do the inspections.”

87. Further, written clarification was given by the Ministry to the Committee which stated as under:—

“There are currently 3 regular technical officers and 1 temporary Consultant in the department, who have been given the responsibility as Area Officers. The Area Officers nominated by the Department are members of the State Level Scheme Sanctioning Committees, where they monitor the completion of Schemes and provide technical advice on the sanctions under the NRDWP. While it is difficult to fix the periodicity of visits of the Area Officers to each State, most of them can cover each of their allotted States, at least once in 3 months.”

#### **XI. Non-completion of Works**

88. Audit Scrutiny has revealed several cases of delayed completion and non-completion of water quality projects/schemes such as Piped Water Supply Schemes (PWSS), Water Supply Scheme (WSS) and Boring of Deep Tube Well (DTW), in 14 States *viz.*, Arunachal Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Orissa, Punjab, Uttar Pradesh, Uttarakhand and West Bengal.

89. The Committee wanted to know the extant State-wise status of the completion of projects and also the constraints which hampered the timely completion of such projects by the State Governments. The Ministry in a written note has intimated to the Committee that State Government of Punjab has submitted that minor works pertaining to these schemes have been completed and no further action is required in any of the

districts for the scheme under consideration. Whereas the rest of the States where projects are still ongoing have highlighted varied kind of bottlenecks and impediments which thwarted timely completion of project. These are — Shortfall in State share sector (Assam), dispute at site (Himachal Pradesh), meagre funding (Jammu & Kashmir), non-availability of assured sources of safe water (Madhya Pradesh), acute law and order problem (Manipur), delay by contractor/shortage of funds/delay in drawal of Power line (Meghalaya), land ownership in private hands (Nagaland), theft of conductor or damage of Transformers (Orissa), dispute over land (Uttar Pradesh) source dispute, drying up of sources, natural calamities (Uttarakhand).

90. When asked about the steps taken to ensure that incomplete works are completed and are functional, the Ministry in a note submitted that at the time of the Annual Action Plan discussion in 2010, States were impressed upon to ensure that completion of ongoing schemes is given priority. Further, for the purposes of assessing the performance of States under NRDWP, Bharat Nirman and 20-point programme, achievement is considered only after scheme has been completed, commissioned and people have started getting water.

91. On this aspect, the Secretary, Department of Drinking Water and Sanitation during evidence stated as under:—

“We have developed 12-13 formats. This format will capture how many schemes are pending for more than one or two or three years and whether money has been allocated to them or not. Similarly, this will capture how many schemes have been transferred to Gram Panchayats and whether they have been given the necessary support by way of electricity bill payment, maintenance charges, capital expenditure etc. So, some of these things will automatically be captured in these formats.”

92. About the systematic changes to ensure that the States complete the incomplete works before taking up new works, the Ministry in a post evidence reply stated as under:—

“During Annual Plan discussions, the status of schemes taken up are reviewed and States are requested to take up new schemes based on the availability of funds after giving priority to ongoing schemes. Further, while participating in the State level Scheme Sanctioning Committee, Department’s representatives insists on giving priority and releasing funds for the completion of ongoing schemes and only thereafter for sanction of new schemes out of the residual funds. The following provision has been made in the NRDWP Guidelines:—

Amount released under NRDWP cannot be utilized/adjusted against any cost escalation of the schemes or excess expenditure over and above the approved cost of the schemes in the previous years. “This is a good disincentive and would help to ensure that the States do not delay ongoing works inordinately”.”

93. Giving assurance in regard to the completion of the ongoing scheme, the Secretary during evidence stated:—

“.....in the Annual Action Plan, what we have told them (States) and also given in writing is that, they must prioritise the incomplete piped water supply schemes and those places where the quality is an issue and the quality affected villages where piped water supply scheme from a distant surface source is the only solution. These two will have to be prioritised.”

94. The Secretary, during evidence further stated:—

“I am pretty confident that in the next one to two years, the number of pending incomplete schemes will come down. States will also be forced not to take up new schemes as long as these schemes are pending. That will be ensured during our meetings. Now, when my officers go for State sanctioning Committee, they also make it a point to see what the pending schemes are and what money has been allocated to those schemes. So, the States are getting into this habit of allocating money for old schemes on priority and then take up the new schemes.”

**PART-II**  
**OBSERVATIONS/RECOMMENDATIONS**

1. Failure on the part of the Ministries/Departments in giving timely submission of replies to the audit paragraphs of C&AG is an issue of serious concern to the Public Accounts Committee. It is a reflection on the working of the Government of India. The act of the Secretaries, who are also the chief accounting authority of the respective Ministries/Departments, by not making timely response, tantamounts to diluting authority of Parliament. This trend is definitely fraught with danger. The Public Accounts Committee (2009-10) of the 15th Lok Sabha were perturbed in view of the large number of pending audit paragraphs on which Remedial/Corrective Action Taken Notes (ATNs) were not furnished by the Ministries/Departments. This has resulted in constituting a Sub-committee to examine the issue. The Committee took oral evidence of selective Ministries/Departments and total of 8 reports were presented to Parliament on the subject. The Committee are agitated to note that even after their intervention the overall picture in regard to the pending Remedial/Corrective ATNs remains rather dismal.

2. As per information furnished by the Ministry of Finance (Department of Expenditure) 4191 Remedial/Corrective Action Taken Notes were pending as of 25th June, 2010. The Audit also supplied a figure in this regard which stated that a total of 3462 Paragraphs were pending with all the Ministries as of 31st May, 2010. Having observed the discrepancies of figures pertaining to pendency of cases, between the Ministry and Audit, the Committee would therefore, like the two to reconcile the figures and apprise the Committee of correct figures as on date.

3. While examining the subject “Accelerated Rural Water Supply Programme” the Committee note with distress that the Ministry had failed in furnishing ATNs despite a lapse of 19 months from the presentation of the ARWSP Report to Parliament on *i.e.* 19th December, 2008 and issuance of eight reminders by Audit on different dates between April, 2009 and March, 2010. The final ATNs were sent to Audit in two lots on 24.09.2010 and 15.10.2010 including ATNs from J&K and Uttarakhand. The Committee deplore the stance taken by the Ministry that delay in furnishing final Remedial/Corrective Action Taken Notes occurred because the Office of C&AG had sent the Audit Report to a wrong address and thereafter kept on sending reminders, which were according to the Ministry never received in the Department. According to them as soon as the matter came to their notice they initiated quick action to collect the information from all the States for submitting ATNs. Such a stand taken by the Ministry is totally unacceptable to the Committee as all the Reports presented by the Audit to the House are invariably uploaded on their website. It is a given fact that all the Ministries are in constant touch with the field officers of the Audit when the Audit Reports are being finalized in consonance with respective Ministries/Departments. In the opinion of the Committee, the Ministry ought to have kept track of the

developments and not relied solely on the formal communication to be received from the Audit. Moreover, the Report once placed on the Table of the House becomes a public document of which Ministry should have taken immediate cognizance. The Committee hope no Department of Government would ever take such an imprudent and lame excuse of non-receipt of Audit Report.

4. The Committee also recommend that the issue of pendency of Remedial/ Corrective Action Taken Notes be reviewed by the Ministry of Rural Development (Department of Drinking Water and Sanitation) on a Monthly basis by the Secretary to ensure that ATNs are collected from the States and are submitted within the stipulated time-frame of four months. The Committee have also been given to understand that the Ministry has established an Audit Committee under the Chairmanship of Secretary with other members from the Finance and other wings to deal with the cases of pendency and obviate delay in submitting ATNs. In light of this initiative, the Committee recommend that the composition, procedure to be adopted for obtaining ATNs from States and progress of the Committee be intimated to Public Accounts Committee. The Committee further desire that if delay is anticipated in submitting the Action Taken Notes, the Secretary of the Ministry/Department ought to bring the matter to the notice of Cabinet Secretary and Minister-in-Charge and apprise them of constraints and impediments in complying with the time period and accordingly approach the Audit for seeking any genuine extension of time under intimation to the Committee.

5. The Committee are constrained to note that several deficiencies have been found in the implementation of Accelerated Rural Water Supply Programme (ARWSP). These pertain to the conduct of 2003 National Habitation Survey in the States, anomalies in regard to Annual Action Plan (AAPs) of several States not having been based on detailed and comprehensive habitation-wise analysis, instances of deficient financial controls besides instances of inadmissible expenditure and diversion of funds. Also, slip back of fully covered habitations and re-emergence of problem habitations continued to be a recurring major problem. Further, the Committee note that cases have also surfaced of inadequate infrastructure for testing and monitoring water quality and periodic testing requirements, poor distribution and utilisation of field testing kits at the Gram Panchayat/Village Water and Sanitation Committee (VWSC) level; and lacunae have been noticed in taking measures for ensuring sustainability of water resources especially ground water and depletion of ground water which is evidently a major cause of vexation. These deficiencies have been discussed in detail in the succeeding paragraphs for their urgent redressal.

6. Taking the issue subject-wise, the Public Accounts Committee take a serious view upon the way the National Habitation Survey, 2003 was conducted. Inconsistencies and discrepancies were noticed in the conduct of the Survey in Manipur and Haryana. In Manipur, the Survey was conducted through an NGO and a report submitted to the Government of India in December, 2003. However, due to inconsistencies in the Survey Report, the State Government of Manipur was considering conducting another survey. In Haryana, the Survey was conducted in 2005 but the Survey results could not be finalized due to discrepancies between the figures with the State Government and



Government of India. In Chhattisgarh (partly), Jharkhand and Orissa authenticity of the Survey could not be verified due to lack of documentation. Detailed maps were not prepared in 130 out of 154 test-checked districts in 22 States. When the Secretary, Department of Drinking Water and Sanitation was asked to explain about lack of reliable data which is essential for proper planning for Rural Water Supply Scheme, the Secretary stated that National Habitation Survey has become redundant as a result of the Census 2011, since the Census 2011 will afresh determine the number of villages which will come within its ambit. The Committee are not convinced with the reply of the Ministry and would emphasize that Ministry cannot absolve itself of its original responsibility of monitoring and surveillance of the Survey. The Committee, therefore, recommend that they be apprised of the methodology to be adopted for new census and progress made till date within three months of the presentation of this Report to the Parliament. The Committee also recommend that such census should be completed in a time bound manner so that ARWSP is implemented effectively.

7. The preparation of the Annual Action Plan (AAP) is also of great concern to the Committee. It has been revealed that Annual Action Plan which is the mainstay in making any project successful or otherwise has been neglected thoroughly by the various State Governments. The Committee note with concern that two States: Jammu & Kashmir and Jharkhand have not prepared the AAPs during the period 2002-03 to 2007-08, while 7 States had not submitted their AAPs to the Department of Drinking Water Supplies, Ministry of Rural Development, Government of India, though the same had been prepared. In 15 States, the AAPs lacked habitation-wise details. Similarly, in 9 States, AAPs did not indicate the shelf of the schemes. And in 11 States, the AAPs did not indicate activities to be taken under submission of water quality and sustainability. The ARWSP guidelines require that States/UTs should earmark and utilize at least 25% and 10% of ARWSP funds for drinking water supply to Scheduled Castes and Scheduled Tribes respectively. However, the Committee note with deep anguish that a number of States are not following the said guidelines in letter and spirit. The Committee, therefore, desire that details of coverage of SC, ST population should be a part of the AAPs. The State Governments came out with a number of excuses for not preparing their AAPs. The Committee are of the view that success rate of the implementation of ARWSP is very much dependent upon preparing of the AAPs and the Committee stress that each State should invariably prepare their AAPs. The Ministry has informed the Committee that it has taken up the work of preparing AAPs of the States with a lot of seriousness and States have also been asked to prepare detailed district-wise AAPs for which formats have been provided. The Committee, therefore recommend that the Ministry should issue the instructions to the States to prepare and submit the AAP habitation-wise within three months. The Committee recommend to the Ministry that such instructions should not be merely on paper but bring tangible results. If need be, the Ministry should make suitable amendments in the ARWSP guidelines to make submission of AAPs in a time-bound manner so that the benefits of the schemes percolate to the grassroots.

8. The Committee are distressed to note that the cases of diversion of funds to the tune of Rs. 404 crore have taken place in 12 States *viz.* Assam, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Manipur, Meghalaya,

Nagaland, Uttar Pradesh, Uttarakhand and West Bengal. In this regard, the Committee have been informed that a majority of this is by way of Centage Charges which the States have charged out of Rs. 400 crore. The Committee have also learnt that if any case of inadmissible expenditure or diversion of funds is pointed out, the same is deducted from second instalment due for such States. As per the existing system proposals for release of second instalment has to reach the Department by 31st December of the year. A cut of 10, 20 & 30 per cent respectively is imposed, if the proposal is received late *i.e.* in January, February or March.

The Committee are appalled to find that the problem of diversion of funds has not been addressed in the right earnest by the Ministry. The Committee understand that the Centage Charges have completely been stopped from 1.4.2009. What can be more disturbing than the fact that eight months have elapsed since the Committee took oral evidence on the subject and the latest position on the recovery of funds by the two erring States *i.e.* Uttar Pradesh and Maharashtra have not been intimated to the Committee. They, therefore demand that the latest position be intimated to the Committee forthwith and diverted funds be recouped within six months of the presentation of the Report to Parliament. They would also like to have the details of those erring States who had to undergo the percentage cuts on accounts of late submission of proposals, recorded excessive opening balances and slow utilization of funds. The Committee also recommend that the Ministry devise a strong Monitoring Mechanism in consultation with Chief Secretaries of States so that proposals are invariably received in time. Timely receiving of the proposal would in turn result into timely execution of the Scheme which is very vital for providing safe drinking water in the rural habitat of India. Towards this end, the Committee would urge the Ministry of Rural Development (Department of Drinking Water and Sanitation) to take up the matter with all concerned Ministries/Departments/Authorities/Boards to make pollution of drinking water sources an offence and to bring punitive legislation. The Committee also desire the Ministry to make all out efforts to get draft legislation prepared on the same within the next 6 months.

9. Slip-backs and re-emergence of problem habitations is another issue which drew the attention of the Committee. The reasons tendered by various State Governments for this phenomenon were excessive drawal of ground water, inadequate and non-maintenance of tube-wells, lack of sustainability of water resources and increase in population. The Ministry's stand that it had not been able to follow-up the matter with the States does not help since it is foremost duty of the State to make available adequate drinking water to the people while conserving precious water resources. The Committee, therefore, recommend that the Ministry evolve mechanism within a time frame whereby precise data with regard to the slip-back habitations could be obtained. The Committee should be intimated about the new mechanism evolved. The Committee, therefore, recommend that the Ministry should impress upon the States that they must ensure that habitation does not slip-back further and a quarterly report of the progress in this regard should be sent to the Department of Drinking Water and Sanitation.

10. Success of the ARWSP depends on the quality of water being supplied to the beneficiaries. The Committee's examination of the subject has revealed that

establishing of water quality laboratories hitherto was not a mandatory component of the ARWSP. Audit has suggested that water quality laboratories may be implemented at three levels, consisting of a nodal unit at the top level, intermediary level units like district laboratories and grass-root level units. They also stated that State and region-specific Information Education and Communication (IEC) activities were to be taken up. In the Scheme of things, 100 per cent funding was to be provided to the States for strengthening water quality monitoring facilities with a view to networking the nodal unit (premier technical institution) with the State headquarters Public Health Engineering Department (PHED). In the Scheme of things, it is apparent to the Committee that the Ministry may provide funding to this effect if sought by the States. The Committee are distressed to observe that 10 States *viz.* Arunachal Pradesh, Assam, Chhattisgarh, Haryana, Himachal Pradesh, Karnataka, Kerala, Meghalaya, Orissa and Uttar Pradesh had not assigned the task of checking water quality at the state level to premier institutes. States did not take up region-specific IEC activities involving Panchayati Raj Institutions (PRIs) cooperatives, women groups, Self-help groups etc. In States of Arunachal Pradesh, Assam, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand and Uttar Pradesh, no qualified staff was appointed in the laboratories. In Bihar, 2 out of 9 test checked districts did not have a laboratory. In Gujarat, 25 districts did not have laboratories. In Jammu & Kashmir, out of a total of 14 districts, only four districts had laboratories, of which one was not functional. In Manipur, there were no laboratories in the Districts. In Nagaland, only one out of 11 District laboratories were functional. In Orissa, out of 30 district level laboratories only 15 were made operational in 2006-07. The Committee note with deep concern the Ministry's view that the exact information regarding staff strength at specific laboratories is available only with the States. While the issue of manpower at the State level laboratories is comparatively better, the issue of technical manpower remains a matter of concern. According to the Ministry, the States have been urged to ensure that adequate trained manpower is available at these laboratories. Taking a serious view of these lapses in so many States, the Committee strongly recommend that the component of water quality testing through laboratories should be made a mandatory provision in the ARWSP Guidelines. They also desire that all States should assess the technical staff requirements and Ministry should impress upon the States to fulfil the vacancies so that the Scheme could be implemented in an effective manner and Quality Water is available to the users. The Ministry should also periodically monitor the augmentation of water testing in States through field visits or otherwise and ensure that these laboratories are functional at all times.

11. The Committee find that ARWSP Guidelines stipulate testing of 10 per cent of all samples tested, including all positive tested samples by the district water quality testing laboratories, at the State level. Further, District laboratories/Public Health Engineering Department (PHED) were to test at least 30 per cent of water samples tested by Gram Panchayats (GPs), and all cases where possibility of contamination was reported by the community. All water sources were required to be tested at least once a year initially. Examination of data revealed that the State Governments were not at all serious with the issue of testing the quality of water. The Committee feel that in the absence of periodic test check, it is extremely difficult to locate the areas affected with bacteriological or chemical contamination. The Ministry has informed the Committee

that it has been repeatedly requesting the States to arrange testing of all drinking water sources at least once in a year for chemical contamination and twice a year for bacteriological contamination in rural drinking water sources. The Committee note that for the first time in the Annual Action Plan 2010-11 States have been given targets for testing of samples. The Committee recommend that the Ministry should pay more emphasis on water testing aspect and should increase the frequency of monitoring the quality of water. To begin with, the Ministry should instruct the States to test all drinking water sources at least twice a year and for chemical contamination at least four times in a year *i.e.* every quarterly. They also desire that the information so obtained should be put on the public domain at District, Block and Village level through print and visual media so that no individual is affected due to contamination in drinking water. The Committee are happy to learn that Ministry is planning to enhance financial support to States from meagre 5 per cent to 9-10 per cent for establishment of laboratories to conduct test of drinking water sources. In this regard, the Committee feel that paucity of budget should not stand as a barrier in test-checks for quality water and they expect the Ministry to pursue this aspect vigorously so that the same is approved expeditiously by the Government of India. The Committee would like to be intimated of the final decision taken in this regard within six months.

12. With a view to encourage drinking of safe water, the ARWSP envisages building capacity of Panchayats to own the Field Test Kits (FTKs) and take up full Operation & Maintenance (O&M) responsibility for water quality monitoring of all drinking water sources in their respective Panchayati Raj Institution (PRI) area. The Committee also understand that 100 per cent testing of all sources at the Village level was to be done by grass root level workers from Gram Panchayat (GP)/Village Water and Sanitation Committee (VWSC). However, in reality a dark picture emerges. In certain States, FTKs were not received, whereas in some States only a handful of Districts received the FTKs. The Committee recommend promoting household based & Community based terracotta filters for tackling iron and bacteriological contamination.

The FTKs serve as powerful tool to supplement water quality treatment facilities. The Committee are astonished to note the admission of the Ministry that although the FTKs had been given by the States yet they were not passed on to the Gram Panchayats. Five individuals who were supposed to be trained like teachers for others were not themselves properly trained. The Committee have been intimated that the State Secretaries have been directed to identify the individuals in particular Gram Panchayat who possess such kits. However, in its post evidence reply the Ministry has informed that under Water Quality Monitoring & Surveillance Programme, provisions have been made for States to provide one Field Test Kit to each Gram Panchayat. Further, in the Annual Action Plan 2010-11 States have indicated targets for provisions of FTKs and for training of grass root workers. As reported by States, so far against the Cumulative target to train 12 lakh grass root level workers at the GP level, only 8.55 lakh have been trained. Against the target to provide Field Test Kits to 2.45 lakh GPs, 2.47 lakh chemical FTKs and 424.33 lakh bacteriological kits are reported to be procured/distributed.

However, the figures supplied by the Ministry to the Committee in regard to supply of FTKs, Training etc. are in stark contradiction with the findings of the Audit.

The Committee, therefore, recommend that the Ministry should once again supply to the Committee the genuine and verifiable data pertaining to the procurement and distribution of FTKs. Such data should clearly bring out the achievements against the target as well. The Ministry should also fix future targets for procurement and distribution of FTKs and apprise the Committee of the time line by which all Gram Panchayats will be equipped with FTKs. The Committee recommend that workers at the grass root level at GPs be adequately trained by experts in the shortest possible period so as to achieve the sole objective of providing safe potable water in each rural habitat.

13. The Committee note that plans are in place for engaging experts for monitoring and evaluating the quality of drinking water in rural areas. During examination, the Committee were given to understand that such technical manpower would be in place by the end of the financial year 2010-11. In this regard, the Committee would like to have details of the developments which took place at the time of oral evidence of the subject *i.e.* 16.8.2011 till the date of presentation of this Report. It is also disconcerting to note that the financial year which was mentioned by the Ministry is already over but no intimation has been given to the Committee whether the experts have already been engaged or not along with reasons for delay, if any. They accordingly recommend that complete details in this regard may be furnished to the Committee.

14. As per ARWSP Guidelines both the Government of India as well as State Governments would take up monitoring and evaluation studies of representative water sample from time to time. The Committee have been informed by the Ministry that the officials of the Department of Drinking Water and Sanitation do not carry out field inspection of the projects/schemes. The officials of Ministry only visit the States to participate in the meetings of the States Level Scheme Sanctioning Committee (SLSSC) workshops, trainings etc. The evaluation and monitoring studies are assigned to the officers of the State Governments for rural water supply. The Committee note with concern that the Department of Drinking Water and Sanitation has 7-8 officers and each of them have been allocated 10-12 States to do the field inspections. The Committee can well comprehend the quantum of work these handful of officers can handle. Shortage of staff is a matter of concern for the Committee. These handful of officers have not only to undertake field visits but also participate in SLSSC workshop. It also goes to show that how much importance the Ministry gives to monitoring and evaluation studies. The Committee, therefore, recommend that staff strength be augmented adequately to ensure effective monitoring and evaluation of water samples from time to time.

15. Slow rate of completion of projects for achieving better water quality is another matter of serious concern for the Committee. In nearly 14 States, relevant projects/schemes were found to be incomplete. The Committee have been informed by the Ministry in this regard that States have been impressed upon to ensure that pending projects are completed on priority basis and take up new schemes only after completing the ongoing schemes. Consequently in the next one to two years, the number of pending incomplete schemes will gradually come down. The Ministry further informed that it has developed 12-13 formats to identify incomplete schemes.

However, the Committee desire to be apprised of the exact status and progress in this regard, including details such as how many projects have been completed/what are the cost/time overrun/target dates of incomplete projects etc. mainly after the introduction of the said formats within six months of the presentation of this Report. The Committee, therefore, recommend that being a funding agency, it is incumbent upon the Ministry of Rural Development (Department of Drinking Water and Sanitation) to monitor and ensure timely completion of projects without time overrun as the delayed completion of project would jeopardize the very objective of the programme.

16. The Ministry has informed the Committee that in order to check inordinate delay in ongoing works provision has been made in the NRDWP Guidelines, whereby amount released cannot be utilized/adjusted against any cost escalation of the schemes or excess expenditure over and above the approved cost of the schemes in the previous years. Taking note of the provision made, the Committee recommend that in case of delay in completion of a project beyond the approved time limit, the cost overrun, if any, be borne by the respective State Governments. The Ministry needs to ensure the focus of every measure taken by it remains to serve the rural population/masses which had hitherto been deprived of their basic right of safe drinking water.

NEW DELHI;  
2 August, 2011  

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11 Sravana, 1933 (Saka)

DR. MURLIMANO HAR JOSHI,  
Chairman,  
Public Accounts Committee.

## ABBREVIATIONS

AAP	Annual Action Plan
APFMGS	Andhra Pradesh Farmers Managed Ground Water System
ARWSP	Accelerated Rural Water Supply Programme
BRC	Block Resources Centre
CAP99	Comprehensive Action Plan 1999
CCDU	Communication and Capacity Development Unit
CGWB	Central Ground Water Board
FTK	Field Test Kits
DDP	Drought Development Programme
DDWS	Department of Drinking Water and Sanitation
DTW	Deep Tube Wells
DWSC	District Water and Sanitation Committee
DWSM	District Water and Sanitation Mission
FC	Fully Covered
GoI	Government of India
GP	Gram Panchayat
HGM	Hydro Geo Morphological
HRD	Human Resource Development
IEC	Information, Education and Communication
IMIS	Integrated Management of Information System
LPCD	Litres per Capita per day
M&E	Monitoring and Evaluation
MIU	Monitoring and Investigation Unit
NRC	National Resources Centre
NC	Not Covered
NRSC	National Remote Sensing Centre
NSMC	National Swajaldhara Monitoring Committee

NSS	No Safe Source
NTU	Nephelometric Turbidity Units
O&M	Operation and Maintenance
PC	Partially Covered
PHED	Public Health Engineering Department
PMGSY	Pradhan Mantri Gram Sadak Yojana
PRIs	Panchayati Raj Institutions
PWSS	Piped Water Supply Scheme
RGNDWM	Rajiv Gandhi National Drinking Water Mission
RWSS	Rural Water Supply Scheme
SMIU	Special Monitoring and Investigation Unit
SWSM	State Water and Sanitation Mission
VMC	Vigilance and Monitoring Committee
VWSC	Village Water and Sanitation Committee
WSS	Water Supply Scheme
WSSS	Water Supply Sanitation Scheme



**Appendix-I**  
**State-wise details of the Financial progress reported by the**  
**States for the year 2009-10**

(Rs. in lakh)

Sl. No.	State/UT	Month Code	Opening Balance as on 1.4.2009	Allocation	Release	Total Availability	Exp. Reported by State/UT	%age Expen.
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	03	0.00	43709.00	53736.50	53736.50	38978.90	72.54
2.	Arunachal Pradesh	03	2746.61	18000.00	17820.00	20566.61	19891.00	96.72
3.	Assam	03	0.00	30160.00	32350.29	32350.29	24177.10	74.74
4.	Bihar	03	67144.70	37221.00	18610.50	85755.20	28487.20	33.22
5.	Chhattisgarh	03	2759.29	11601.00	12822.21	15581.50	10406.50	66.79
6.	Goa	03	0.00	564.00	332.00	332.00	50.00	15.06
7.	Gujarat	03	8673.32	48275.00	48275.00	56948.32	48437.80	85.06
8.	Haryana	03	0.00	20789.00	20689.00	20689.00	13235.10	63.97
9.	Himachal Pradesh	03	1.93	13852.00	18285.31	18287.24	14450.20	79.02
10.	J & K	03	23790.81	44774.00	40251.00	64041.81	38348.70	59.88
11.	Jharkhand	03	6148.35	14929.00	11134.28	17282.63	8604.20	49.79
12.	Karnataka	03	3205.32	57367.00	62786.00	65991.32	47371.10	71.78
13.	Kerala	03	119.46	15277.00	15189.31	15308.77	15099.40	98.63
14.	Madhya Pradesh	03	3350.42	36766.00	37966.00	41316.42	34702.60	83.99
15.	Maharashtra	03	19225.94	65243.00	64780.80	84006.74	61856.20	73.63

1	2	3	4	5	6	7	8	9
16.	Manipur	01	2668.91	6160.00	3857.39	6526.30	3218.50	49.32
17.	Meghalaya	03	18.37	7040.00	7940.00	7958.37	6857.20	86.16
18.	Mizoram	03	1743.27	5040.00	5526.02	7269.29	5131.10	70.59
19.	Nagaland	03	2960.87	5200.00	4706.39	7667.26	7657.30	99.87
20.	Orissa	03	2556.04	18713.00	22665.87	25221.91	19886.60	78.85
21.	Punjab	03	654.23	8117.00	8880.70	9534.93	9534.93	100.00
22.	Rajasthan	03	387.92	103646.00	101216.00	101603.92	68000.00	66.93
23.	Sikkim	03	1033.23	2160.00	2060.00	3093.23	3057.50	98.84
24.	Tamil Nadu	03	5723.85	32043.00	31795.07	37518.92	36420.70	97.07
25.	Tripura	03	1785.10	6240.00	7740.00	9525.10	7651.40	80.33
26.	Uttar Pradesh	03	17370.57	95912.00	95636.23	113006.80	97413.50	86.20
27.	Uttarakhand	03	3705.74	12616.00	12489.84	16195.58	6382.60	39.41
28.	West Bengal	03	2094.30	37229.00	39430.29	41524.59	39076.10	94.10
29.	A&N Islands	0	0.00	0.00	0.00	0.00	0.00	
30.	D&N Haveli	0	0.00	0.00	0.00	0.00	0.00	
31.	Daman & Diu	0	0.00	0.00	0.00	0.00	0.00	
32.	Delhi	0	0.00	0.00	0.00	0.00	0.00	
33.	Lakshadweep	0	0.00	0.00	0.00	0.00	0.00	
34.	Puducherry	03	0.00	0.00	0.00	0.00	0.00	
Total			179868.55	798643.00	798972.00	978840.55	714383.43	72.98

## APPENDIX-II

MINUTES OF THE SECOND SITTING OF SUB-COMMITTEE-I OF THE PUBLIC  
ACCOUNTS COMMITTEE (2010-11) ON "NON-COMPLIANCE BY  
THE MINISTRIES/DEPARTMENTS IN TIMELY SUBMISSION OF  
ACTION TAKEN NOTES ON THE NON-SELECTED  
PARAGRAPHS OF THE C&AG OF INDIA HELD  
ON 16TH AUGUST, 2010

The Sub-Committee-I of the Public Accounts Committee sat on Monday, the 16th August, 2010 from 1600 hrs. to 1720 hrs. in Committee Room No. 'D', Parliament House Annexe, New Delhi.

### PRESENT

Shri Ashwani Kumar — *Convenor*  
*Lok Sabha*

2. Shri Bhartruhari Mahtab
3. Shri Naveen Jindal

### SECRETARIAT

1. Shri Raj Shekhar Sharma — *Director*
2. Shri Sanjeev Sharma — *Deputy Secretary*

### Representatives of the Office of the Comptroller and Auditor General of India

Shri K.R. Sriram — Pr. Director of Audit (ESM)

### Representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation)

1. Shri Arun Kumar Misra — Secretary (DWS)
2. Shri T.M. Vijay Bhaskar — Joint Secretary (DWS)
3. Shri Bharat Lal — Director (DWS)
4. Shri Sujoy Majumdar — Director (WQ&C)

2. At the outset, an internal meeting of Sub-Committee-I was held to consider C&AG Letter No. 626/109-Rep(C)/2010 dated 16th August, 2010 suggesting thereby three topics on the Ministry of Defence, out of which one was to be selected for substituting PA 4 of 2008 Performance Audit Defence Services-Army and Ordnance Factories which was selected earlier by the Sub-Committee-I at their first sitting held on 4th August, 2010. After some deliberations Hon'ble Convenor decided to examine para 6.3 titled 'Abnormal delay in execution of Ordnance Factory Project Nalanda' of Audit Report No. CA 4 of 2008. The Members concurred with the decision of the Convenor.

3. Hon'ble Convenor, Sub-Committee-I of the Public Accounts Committee, then welcomed the representatives of the Office of the C&AG of India to the sitting of the Sub-Committee. Thereafter, the Audit Officers and the Secretariat briefed the Sub-Committee on the various issues concerning the subject on "Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on the Non-selected Paragraphs of the C&AG of India".

4. The Convenor then informed the Members that the sitting has been convened for taking oral evidence of the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) on the subject relating to "Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on the Non-selected Paragraphs of the C&AG of India". The Convenor also informed the Members that the meeting will proceed with a discussion on Audit Report No. 12 of 2008 (Civil Performance Audit) on "Accelerated Rural Water Supply Programme (ARWSP)".

5. Thereafter, the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) were called in and the Convenor welcomed them to the sitting of the Sub-Committee. The representatives then, briefed the Sub-Committee on the initiatives taken by their Ministry in timely submission of replies to the Audit Paragraphs of C&AG. They also, *inter-alia*, threw light on the current status of pending paras in their Ministry and hindrances faced by the Ministry in replying to the pending Audit Paragraphs. The representatives also elaborated on the various issues and concerns raised by the Sub-Committee.

6. During the course of deliberations with the representatives of Ministry of Rural Development (Department of Drinking Water and Sanitation) some points emerged which needed clarifications. The Convenor desired that the requisite information in the form of second set of Background Note be obtained from the Department by the third week of September, 2010. The meeting remained inconclusive and the Sub-Committee decided to meet again on 4th of October, 2010 to continue with the oral evidence of the representative of the Ministry of Rural Development (Department of Drinking Water and Sanitation).

7. The Convenor then thanked the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subject. The Convenor also thanked the C&AG of India for providing assistance to the Sub-Committee in the examination of the subject.

A copy of the verbatim proceeding has been kept on record.

*The Sub-Committee then adjourned.*

### APPENDIX-III

MINUTES OF THE FOURTH SITTING OF SUB-COMMITTEE-I OF PUBLIC ACCOUNTS COMMITTEE (2010-11) ON “NON-COMPLIANCE BY THE MINISTRIES/DEPARTMENTS IN TIMELY SUBMISSION OF ACTION TAKEN NOTES ON THE NON-SELECTED PARAGRAPHS OF THE C&AG OF INDIA” HELD ON 30TH NOVEMBER, 2010

The Sub-Committee-I of the Public Accounts Committee sat on Tuesday, the 30th November, 2010 from 1500 hrs. to 1625 hrs. in Room No. 63, Parliament House, New Delhi.

#### PRESENT

Shri Ashwani Kumar — *Convenor*

*Lok Sabha*

2. Shri Bhartruhari Mahtab
3. Shri Naveen Jindal

#### *Secretariat*

1. Shri Sanjeev Sharma — *Deputy Secretary*

#### **Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri K.R. Sriram — Pr. Director of Audit (ESM)

#### **Representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation)**

1. Shri Arun Kumar Misra — Secretary (DWS)
2. Shri T.M. Vijay Bhaskar — Joint Secretary (DWS)

2. At the outset, Hon’ble Convenor, Sub-Committee-I of the Public Accounts Committee, welcomed the Members and representatives of the Office of the C&AG of India to the sitting of the Sub-Committee. Thereafter, the Audit Officers and the Secretariat briefed the Sub-Committee on the various issues concerning the subject on “Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on the Non-selected Paragraphs of the C&AG of India”.

3. The Convenor then informed the Members that the sitting has been convened for taking further oral evidence of the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) on the subject relating to “Non-compliance by the Ministries/Departments in timely submission of Action Taken Notes on the Non-selected Paragraphs of the C&AG of India”. The Convenor also informed the Members that the meeting will proceed with a discussion on Audit Report No. 12 of 2008 (Civil Performance Audit) on “Accelerated Rural Water Supply Programme (ARWSP)” alongwith the written replies furnished by the Ministry after the first evidence held on 16.8.2010.

4. Thereafter, the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) were called in and the Convenor welcomed them to the sitting of the Sub-Committee. The representatives first, briefed the Sub-Committee on the initiatives taken by their Ministry in timely submission of replies to the Audit paragraphs of C&AG. They also, *inter alia*, threw light on the current status of pending paras in their Ministry and difficulties faced by the Ministry in replying to the pending Audit Paragraphs within the stipulated time frame. The representatives also elaborated on the various issues and concerns raised by the Sub-Committee during the sitting.

5. The Convenor then thanked the representatives of the Ministry of Rural Development (Department of Drinking Water and Sanitation) for appearing before the Sub-Committee and for furnishing information in connection with the examination of the subject. The Convenor also thanked the officers of the office of the C&AG of India for providing assistance to the Sub-Committee in the examination of the Subject.

A copy of the verbatim proceeding has been kept on record.

*The Sub-Committee then adjourned.*

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## APPENDIX IV

### MINUTES OF THE SECOND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 28TH JUNE, 2011

The Committee sat on Tuesday, the 28th June, 2011 from 1100 hrs. to 1330 hrs. in Room No. '53', First Floor, Parliament House, New Delhi.

#### PRESENT

Dr. Murli Manohar Joshi — *Chairman*

#### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Shri Sandeep Dikshit
4. Shri Anant Kumar Hegde
5. Shri Bhartruhari Mahtab
6. Shri Shripad Yesso Naik
7. Shri Sanjay Nirupam
8. Shri Jagdambika Pal
9. Dr. Kavuru Sambasiva Rao
10. Shri Adhi Sankar
11. Kunwar Rewati Raman Singh
12. Shri K. Sudhakaran
13. Dr. M. Thambidurai
14. Dr. Girija Vyas

#### *Rajya Sabha*

15. Shri Prasanta Chatterjee
16. Shri Naresh Gujral
17. Shri Satish Chandra Misra
18. Smt. Jayanthi Natarajan
19. Prof. Saif-ud-Din Soz

#### SECRETARIAT

- |                          |   |                            |
|--------------------------|---|----------------------------|
| 1. Shri Devender Singh   | — | <i>Joint Secretary</i>     |
| 2. Shri Abhijit Kumar    | — | <i>Director</i>            |
| 3. Shri M.K. Madhusudhan | — | <i>Additional Director</i> |
| 4. Shri Sanjeev Sharma   | — | <i>Deputy Secretary</i>    |
| 5. Shri D.R. Mohanty     | — | <i>Deputy Secretary</i>    |
| 6. Smt. A. Jyothirmayi   | — | <i>Under Secretary</i>     |

**Representatives of the Office of the Comptroller and Auditor General of India**

- |                         |   |   |
|-------------------------|---|---|
| 1. Shri R.S. Mathrani   | — | Director General of Audit (Central Expenditure) |
| 2. Shri Gautam Guha     | — | Director General of Audit (Defence Service)     |
| 3. Ms. Geetali Taare    | — | Pr. Director of Audit (Scientific Department)   |
| 4. Shri Bhawani Shankar | — | Pr. Director (Economic Service and Ministries)  |

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the C&AG to the sitting of the Committee. The Chairman, then, apprised that the sitting was convened to consider the Draft Reports of the Committee. Thereafter, the Committee took up the following Draft Reports for consideration:

- |       |   |     |     |
|-------|---|-----|-----|
| (i)   | Draft Report on <b>‘Accelerated Rural Water Supply Programme (ARWSP)’</b> based on C&AG Report No. PA 12 of 2008; |     |     |
| (ii)  | ***   | *** | *** |
| (iii) | ***   | *** | *** |
| (iv)  | ***   | *** | *** |
| (v)   | ***   | *** | *** |

3. After detailed deliberations, the Committee adopted these draft Reports, one by one with some modifications/amendments and authorized the Chairman to finalise and present the same to the Parliament in the light of factual Certification done by Audit.

4. While adopting the draft Report on **‘Accelerated Rural Water Supply Programme (ARWSP)’**, some Members opined that a D.O. letter should be addressed to the Ministry of Rural Development (Department of Drinking Water and Sanitation) highlighting the discrepancies and inadequacies in conducting the National Habitation Survey, 2003 and its subsequent results with regard to the implementation of **‘Accelerated Rural Water Supply Programme (ARWSP)’**. Similarly in respect of draft Report on **‘Non Lapsable Central Pool of Resources Scheme’** some Members desired that a D.O. Letter should be addressed to the Ministry of Development of North Eastern Region drawing their attention to poor/non-implementation of various schemes in the North Eastern Region and the need for setting up of a monitoring committee to oversee the proper implementation of various schemes/projects in the region. The Committee concurred with the views of the Members.

- |    |     |     |     |     |
|----|-----|-----|-----|-----|
| 5. | *** | *** | *** | *** |
| 6. | *** | *** | *** | *** |
| 7. | *** | *** | *** | *** |

*The Committee, then, adjourned.*

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\*\*\* Part not related with this report.